



P.O. BOX 23223 Oakland, CA 94623
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LETTER OF TRANSMITTAL
SAS Foundations E2/T1 Project

Run Date 03-Jul-07
Time 11:19 AM

Dated:

7/3/2007

To: **Pedro Sanchez**
Caltrans - SAS E2/T1 Foundation Project
333 Burma Road
Oakland CA 94607
Phone: 510-286-0538 Fax:

TRANSMITTAL No: KFM-TRN-000568

Rev: 00

Co/Job # 364-4347

Contract # 04-0120E4

Sub/Supplier:

Sub/Supplier No:

Subject: Supplemental Notice of Potential Claim #06-062007 -- TBS Welder Trainees

Special Provis. (SP) REF:
Standard Spec. (SS) REF:

RESUBMITTAL/SUPPLEMENTAL REF:

We are sending the following attached items: ☒ Attached

☐ Via Fax

- ☐ Contract Plans/Specs
- ☐ Drawings/Calculations
- ☐ Change Order
- ☐ Copy of Letter

- ☐ Certs of Compl./Samples
- ☐ Schedule
- ☐ Progress Estimate Request
- ☐ Payroll Information

- ☐ Working Drawings
- ☐ WQCP and/or Addenda
- ☐ Weekly Welding Reports
- ☐ CWR Procedure

Item	Date	Copies	Description	Pages
01	29-Jun-2007	1	Supplemental Notice of Potential Claim #06-062007	

These are transmitted as checked below:

- ☐ For Approval
- ☐ For Review/Comment
- ☐ Return For Correction
- ☒ For Your Use
- ☐ As Requested
- ☐ For Information

Remarks:

Please find attached Supplemental Notice of Potential Claim #06-062007 sent on behalf of our supplier Trans Bay Steel.

CC:

Submitted By:

George Atkinson

(KFM Staff Member - Originator of Transmittal)

Checked & Sent By:

Contract Admin/DCS Staff



TRANS BAY STEEL, CORP.

1025 KAISER ROAD, NAPA, CA 94558

TELEPHONE: (707)259-0777 FAX: (707)259-1072

June 29, 2007

State of California
Department of Transportation

RE: Contract Number 04-0120E4 E2/T1 SAS Foundations
Initial Notice of Potential Claim 06-062007, dated 6/19/07
Supplemental Notice of Potential Claim
Form No. CEM-6201B

Supplemental Notice of Potential Claim "Attachment No. 1026"

Trans Bay Steel submitted the "Initial Notice of Potential" ID 06-062007 on 6/19/07. This Supplemental is issued to provide additional information as required by Special Provisions Section 9-1.04.

Trans Bay Steel has always used Trainees with a qualified and approved Submerged Arc Operator to perform welding on Caltrans Projects, i.e., San Mateo Bridge (1999), Carquinez Bridge (2000), Benicia Bridge (2001), Richmond San Rafael Bridge (2002), San Francisco Oakland Bay Bridge (2003), in conformance with our material contracts, Caltrans Special Provisions and the AWS Code governing the work in our shop.

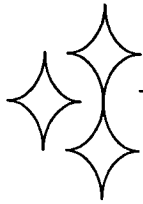
During production on the E2/T1 project, commencing on December 06, 2005, the State's subcontractor employed with METS took a new position alleging that this practice was not in conformance with the special provisions and AWS D1.1-2002. Trans Bay disagrees with METS' new position. Section 8, Section 10 of the special provisions and AWS D1.1-2002 governing this work is silent and does not restrict the use of Trainees.

Commencing December 2005, the formerly accepted practice of using trainees in production work on the E2/T1 piles became a consistent topic at the weekly production meeting between KFM, Caltrans and Trans Bay. Discussions with Caltrans led to an agreement that it would not be necessary to issue an NOPC or have this matter referred to DRB if a change order, CCO39 was issued with mutually agreeable terms and conditions to address the welder training issues and the resulting impacts to Trans Bay Steel.

In October 2006, negotiations on CCO 39 were not successfully concluded due to the lack of acknowledgement concerning the time periods affected by these changes. After Trans Bay notified the State, they were silent on this issue until their letter of January 2007 notified us that they were not going to negotiate CCO 39 due to the production being completed.

The above change in Cal-trans / METS policy resulted in damages to Trans Bay Steel and delayed pile deliveries. Trans Bay's estimated damages are as follows:

1. Additional training required to comply with new Cal-trans trainee policy.
Increased training (est.): \$513,000 (standby time: 6840 hr's @ \$75 per hr)
2. Additional work to clear invalid NCR's related to welder trainees.
Est. amount to clear NCR's: \$27,600.
3. Schedule impact and delay damages, including, but not limited to:
 - Loss of efficiencies.
 - Delayed Utilization of personnel.
 - Extra inspection.
 - Interruption of work flow.



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Scheduled delivery of last T1 pile: 22 Aug 06 (Jan 06 schedule)

"Actual" delivery of last T1 pile: 18 Dec 06 (17 week / 119 calendar day delay)

Delay Damages (est.): \$3,498,600 (119 days @ \$29,400 per day)

\$100,800 (additional overtime for UT)

Total Trans Bay Steel Estimated Damages: \$4,140,000

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
SUPPLEMENTAL NOTICE OF POTENTIAL CLAIM
 CEM-42015 (NEW 9/2002)

TO PEDRO J. SANCHEZ <small>(contract engineer)</small>	CONTRACT NUMBER 04-0120E4	DATE 6/29/07	IDENTIFICATION NUMBER 06-062007
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This is a Supplemental Notice of Potential Claim for additional compensation submitted as required under the provisions of Section 9-1.04, "Notice of Potential Claim," of the Standard Specifications. The act of the engineer, or his/her failure to act, or the event, thing, occurrence, or other cause giving rise to the potential claim occurred on:

DATE: **6/15/07**

The particular nature and circumstances of this potential claim are described in detail as follows:

SEE ATTACHED NO. 1026

The basis of this potential claim including all relevant contract provisions are listed as follows:

(attach additional sheets as needed)

SEE ATTACHED NO. 1026

The estimated dollar cost of the potential claim including a description of how the estimate was derived and an itemized breakdown of individual costs are attached hereto.

(attach additional sheets as needed)

SEE ATTACHED NO. 1026

A time impact analysis of the disputed disruption has been performed and is attached hereto. The effect on the scheduled project completion date is as follows:

(attach sheets as required)

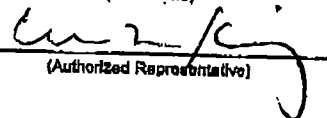
SEE ATTACHED NO. 1026

(attach time impact analysis as required)

The undersigned originator (Contractor or Subcontractor as appropriate) certifies that the above statements and attached documents are made in full cognizance of the California False Claims Act, Government Code sections 12650-12656. The undersigned further understands and agrees that this potential claim to be further considered, unless resolved, must fully conform to the requirements in Section 9-1.04 of the Standard Specifications and must be restated as a claim in the Contractor's written statement of claims in conformance with Section 9-1.07B of the Standard Specifications.

TRANS BAY STEEL CORP.

SUBCONTRACTOR or CONTRACTOR
 (Circle One)


 (Authorized Representative)

For a subcontractor potential claim

This notice of potential claim is acknowledged, certified and forwarded by

KIEWIT/FCI/MANSON JV

PRIME CONTRACTOR


 (Authorized Representative)

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